

MINNESOTA DEPARTMENT OF PUBLIC SAFETY



Office of the Commissioner

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July 16, 2010

Alcohol
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Enforcement

Bureau of
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Security and
Emergency
Management

Minnesota
State Patrol

Office of
Communications

Office of
Justice Programs

Office of
Traffic Safety

State Fire
Marshal

The Honorable Linda Higgins
The Honorable Bill Ingebrigtsen
Minnesota Senate
Public Safety Budget Division

The Honorable Mee Mou
The Honorable Warren Limmer
Minnesota Senate
Senate Judiciary Committee

The Honorable Michael Paymar
The Honorable Paul Kohls
Minnesota House of Representatives
Public Safety Finance Division

The Honorable Deb Hilstrom
The Honorable Bruce Anderson
Minnesota House of Representatives
Public Safety Policy and Oversight Committee

Dear Colleagues:

Minnesota Statutes 299F.012 Subd. 3, requires that the commissioner of Public Safety provide an accounting of how the funds in the Fire Safety Account were spent in the preceding fiscal year and report on any funds not spent in a fiscal year. This report is being sent to the chairs of the committees in the House of Representatives and the Senate having jurisdiction over public safety finance.

Enclosed is the report for your review.

Additional information about the Fire Services Advisory Committee which oversees the Fire Safety Account, can be found via the Department of Public Safety / State Fire Marshal Web site at: www.dps.state.mn.us/fmarshal/fmarshal.html

If you have any questions regarding this report, please feel free to contact Jerry Rosendahl, State Fire Marshal at 651 201-7201.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Campion".

Michael Campion, Commissioner

Enclosure

c: Legislative Reference Library

Minnesota Department of Public Safety



Fire Safety Account *Financial Report for Fiscal Year 2009*



Overview of Fire Safety Account – Fiscal Year 2009

The 2006 Legislature established a fire safety insurance surcharge on homeowner and certain commercial insurance policies. The fire safety account was created to hold the revenues from this surcharge. The bill abolished the fire insurance tax which had been in law for decades, the proceeds of which went into the state general fund.

The bill created a Fire Service Advisory Committee to make recommendations to the Commissioner of Public Safety on how to spend the money in the account. These revenues may only be spent (1) for the Minnesota Board of Firefighter Training and Education, (2) for programs and staffing for the State Fire Marshal Division, and (3) for fire-related regional response team programs and any other fire service programs that have the potential for statewide impact. The committee is made up of representatives of the state fire service associations, local units of government and the insurance field.

The Department of Revenue estimated collections into this account for fiscal year 2009 at \$10,500,000. Actual revenues were \$12,471,478 when the fiscal year accounts were closed. Insurance companies submit their surcharge collections on a quarterly basis, on or before May 15, August 15, November 15 and February 15 each year. The first collections into this account were due on or before November 15, 2007. To replace the previous tax which went into the state general fund, a transfer is made each year back to the general fund. \$4,268,000 was transferred in state fiscal year 2009 as spelled out in the law.

The transfer to the MN Board of Firefighter Training & Education provided funding for administration of the board and programs, as well as grants to local fire departments for training. The transfer to the State Fire Marshal provided funding for staff and programs of the division.

The Fire Service Advisory Committee was formed and began meeting in September 2006 to establish procedures and criteria for making their recommendations to the commissioner on how to spend the money. This committee continues to meet on a quarterly basis to review programs and forward biennial budget recommendations to the commissioner.

Fiscal year 2009 fire safety account activity:

Balance Forward from FY 2008	\$ 1,738,879
Collections from Fire Safety Premiums	\$12,471,478
Resources available	\$14,210,357
Transfer to General Fund	\$ 4,268,000
Transfer to State Fire Marshal	\$ 4,387,250
Transfer to Board of Firefighter Training	\$ 1,083,629
Total Transfers	\$ 9,738,879
Account Balance end of FY 2009	\$ 4,471,478